



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 28, 2011

Certified Return Receipt
7009 3410 0001 4203 1522

Insurance Company of the West
Corporate Services
11455 El Camino Real
San Diego, California 92130-2088

Subject: Cancellation of Surety Bond _____ Western Utah Copper Company, WUCC Copper Mine, M/001/0067, Beaver County, Utah

Dear Sir or Madame:

On March 24, 2011, the Utah Division of Oil, Gas and Mining (Division) received your letter dated March 22, 2011, regarding cancellation of surety bond _____ in the amount of \$1,500,000.00 effective 90 days from the Division's receipt of your letter. The Division received the letter March 24, 2011; 90 days from that date is June 22, 2011. The mine operator, Western Utah Copper Company, has been advised that a replacement surety must be provided by May 23, 2011.

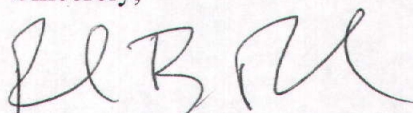
Under the terms of the above referenced surety bond, Insurance Company of the West remains liable for reclamation of the existing disturbance. If the surety is not replaced by May 23, 2011, the Division will immediately issue a cessation order to Western Utah Copper and demand that it commence reclamation. Failure of Western Utah Copper to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Insurance Company of the West to either proceed with reclamation or to pay to the Division the amount of the bond. If Insurance Company of the West fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

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Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated March 28, 2011 and copy of surety

Cc: Ron Wunderlich, WUCC
eginouves@blm.gov
oabeyta@blm.gov

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